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## Talking Pharma 4

### 1. Today's Trading Playbook

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The Egyptian government, led by President El-Sisi, has brought the health care sector back in the limelight. Not only will the government work on developing the country's pharmaceutical industry, but it will also work on propping up calibers in the sector by increasing the number of advanced national training centers. Incidentally, the Egyptian government is not alone! Dubai-based Amanat Holdings [**DFM: AMANAT**], which specializes in the health care and education sectors, plans to invest some AED1bn (EGP4.3bn) to acquire controlling stakes in Egyptian, Saudi, and UAE companies in the coming period.

That said, we believe the Egyptian pharma industry is worth taking another look at. Many pharma names trade at low single-digit P/Es and boast mid to high single-digit dividend yields. Many of the EGX-listed pharma names end their financials in June, so we should soon expect dividends to be paid out — a key catalyst for these stocks, let alone the potential growth in the industry, in view of the Egyptian government's initiatives to support the industry.

For a quick read of our previous pieces of **Talking Pharma** series, please check [Talking Pharma](#) (20 July 2020), [Talking Pharma 2](#) (20 October 2020), and [Talking Pharma 3](#) (3 February 2021).

*Now, on to the top news and analysis for the day.*

### 2. TOP NEWS & ANALYSIS

**TABLE OF CONTENTS****MACRO NEWS**

**Several state-owned banks will launch a fund to support fintech start-ups next month**, in a new push to develop the local sector and bring more of the population into the formal economy. ([Enterprise](#))

**The Ministry of Public Enterprise is establishing a new company to market and sell textile products.** The ministry is working on a plan to develop the spinning and weaving sector with investments exceeding EGP21bn. ([Economy Plus](#))

**Under the National Program for Converting & Replacing Cars to work with dual fuel, car suppliers have agreed to supply between 1,200 to 1,300 cars per month in the October and November,** as a result of the global chip shortage crisis. ([Economy Plus](#))

## CORPORATE NEWS

**Egypt's sovereign wealth fund is in initial talks with local contractors to establish water desalination stations.** Negotiations with Orascom Construction [**ORAS**] and Hassan Allam had started. Meanwhile, the project's investments exceed USD2bn. (Al-Mal)

**Alexandria Flour Mills' [AFMC] net income leapt to EGP18.1mn in FY21 (+124% y/y),** as per its adjusted, unaudited KPI figures, from EGP8.1mn in FY20. The company attributed the surge in net income to a one-off capital gain of EGP3.0mn from assets sale. ([Company disclosure](#))  
Meanwhile, **AFMC said it used EGP39mn of its EGP49.6mn capital increase ended 2 November 2017.** ([Company disclosure](#))

**Elsaeed Contracting Co. [UEGC] was awarded an EGP130mn project** which will be executed over five months. ([Company disclosure](#))

**Al Baraka Bank - Egypt's [SAUD] request to appoint Hazem Hegazy, who is currently the vice chairperson of Banque du Caire, as Vice Chairman and CEO of SAUD has been approved by the Central Bank of Egypt (CBE).** ([Bank release](#))

## GLOBAL NEWS

**Profit growth at China's industrial firms slowed for a sixth month as plants fought off high commodity prices, COVID-19 outbreaks and part shortages,** with an unfolding power crisis a growing threat to output and bottom-lines. ([Reuters](#))

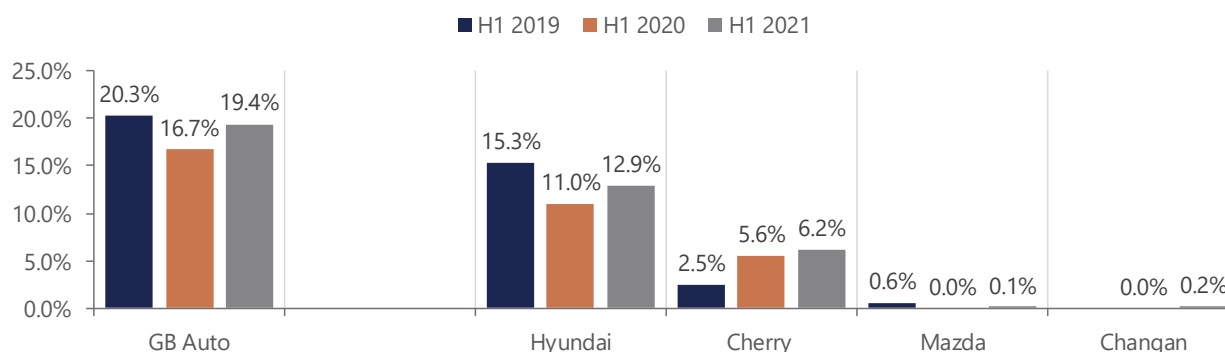
## 3. CHART OF THE DAY

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## Market shares of GB Auto's car brands in Egypt












































Source: Company disclosure.

During H1 2021, the automotive market in Egypt showed a recovery with 101,046 passenger cars sold (+63% y/y). Cherry was the only car brand among GB Auto's **[AUTO]** car brands that managed to improve its market share gradually from 2.5% in H1 2019 (pre-COVID) to 5.6% and 6.2% in H1 2020 and H1 2021, respectively. According to the aforementioned figures, GB Auto's PC sold units increased 89% y/y during H1 2021; however, its market share is still lower than the pre-COVID level of 20.3% (H1 2019) by 90 bps.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						701.1		Equity turnover (EGPmn): Last, ytd avg.				1,285.1		1,178.6					
						daily chg.		ytd chg.						daily chg.		ytd chg.			
		EGX 30	10,496.00	(1.44%)	(3.22%)			Gold	1,750.16	(0.01%)	(7.93%)			Silver	22.63	0.92%	(14.45%)		
		EGX 30 TR	4,098.72	(1.43%)	(1.75%)			Brent Oil	79.53	0.91%	54.92%			WTI	75.45	0.99%	57.05%		
		EGX 70 EWI	2,723.54	(2.46%)	26.96%				Natural Gas	5.71	6.82%		140.06%	EGP		USD/EGP	15.72	0.10%	(0.16%)
		EGX 100 EWI	3,660.40	(2.35%)	18.16%				EUR/USD	1.17	0.04%		(4.22%)		€		GBP/USD	1.37	0.11%
		DFMGI	2,817.27	(0.52%)	13.05%			TASI	11,369.09	0.14%	30.84%	£			USD/JPY	111.00	0.18%	7.70%	
		ADSMI	7,751.76	(0.30%)	53.64%				6M TB yield	12.61	(0)	(12)				2Y TB yield	0.28	4	15
		QE Index	11,311.25	(0.02%)	8.39%			1Y TB yield	13.03	0	26			10Y TB yield	1.49	3	56		
		S&P 500	4,443.11	(0.28%)	18.29%			10Y TB yield	14.69	(2)	30			30Y TB yield	2.00	1	34		
		Dow 30	34,869.37	0.21%	13.93%				STOXX 50	4,165.48	0.17%	17.25%		FM		MSCI Frontier	658.84	(0.56%)	15.26%
	NASDAQ	14,969.97	(0.52%)	16.15%				MSCI Emerging	1,267.36	0.18%	(1.85%)								
	VIX	18.76	5.69%	(17.54%)															

\* As of market close, except for commodities and currencies at 8am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## 5. LATEST EGX VALUATION MULTIPLES

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[Find out](#) how your favorite stocks compare to the rest of the market.

## 6. KEY DATES

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DATE	TICKER	TYPE	EVENT
28-Sep-21	HRHO	OGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
29-Sep-21	MICH	BoD Meeting	Following up on production, sales and exports.
29-Sep-21	DEIN	OGM	Approving the financial statements and other agenda items.
29-Sep-21	CICH	EGM	Amending articles 4, 7 & 19 of the bylaws.
29-Sep-21	IFAP	OGM	Approving the financial statements and other agenda items.
29-Sep-21	IFAP	EGM	Amending articles 3, 24 & 31 of the bylaws.
30-Sep-21	AIFI	OGM	Discussing listing Atlas Siwa for Agricultural Development on the Nilex.
30-Sep-21	CICH	Cash dividend	Date for paying out EGP0.10/share (3rd round).
30-Sep-21	ANFI	OGM	A board reshuffle.
30-Sep-21	ANFI	EGM	Amending article 7 of the bylaws.
30-Sep-21	MOED	OGM	Approving the financial statements and other agenda items.
30-Sep-21	MICH	OGM	Discussing a dividend distribution for FY2020/21.
2-Oct-21	NRPD	EGM	Amending article 46 of the bylaws.
4-Oct-21	CIRA	Cash dividend	Last date for eligibility for a dividend of EGP0.17/share.
5-Oct-21	CIRA	Cash dividend	Ex-dividend date for EGP0.17/share.
10-Oct-21	CIRA	Cash dividend	Payment date for a dividend of EGP0.17/share.
10-Oct-21	DOMT	BoD meeting	Discussing the financial results.
11-Oct-21	ISMQ	OGM	Discussing 2020/21 financials.
11-Oct-21	ISMQ	EGM	Amending the articles of association.
13-Oct-21	IRON	OGM	Approving financial statements and other agenda items.
14-Oct-21	CERA	EGM	Approving the 4-for-1 stock split
14-Oct-21	RAKT	OGM	Approving financial statements and other agenda items.
14-Oct-21	RAKT	EGM	Discussing article 38 of the law.
17-Oct-21	WCDF	OGM	Approving financial statements for FY2017-FY2021.
17-Oct-21	WCDF	EGM	Amending the articles of incorporation.
18-Oct-21	AMOC	Cash dividend	Last date for eligibility for a dividend of EGP0.150/share.
19-Oct-21	AMOC	Cash dividend	Date for ex-dividends of EGP0.150/share.
21-Oct-21	AMOC	Cash dividend	Date for paying out a dividend of EGP0.150/share.
25-Oct-21	SCFM	OGM	Approving the financial statements and other agenda items.
25-Oct-21	SCFM	EGM	Discussing the continuation of the company.
27-Oct-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.
28-Oct-21		MPC Meeting	Determining the CBE's policy rate.
30-Oct-21	EGTS	OGM	Approving the financial statements and other agenda items.
31-Oct-21	MNHD	Cash dividend	Date for paying out a dividend of EGP0.30/share (2nd round).

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19-Sep-21	<a href="#"><u>TAKEStock – Consumer Staples (Food &amp; Beverage) – All You Can Eat Festival</u></a>
15-Sep-21	<a href="#"><u>MACROView – Deciphering the Din of Battle</u></a>
14-Sep-21	<a href="#"><u>TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play</u></a>
9-Sep-21	<a href="#"><u>MACROView – Hot Summer Winds</u></a>
7-Sep-21	<a href="#"><u>MACROView – The Global Blessing Windfall</u></a>
6-Sep-21	<a href="#"><u>MACROView – Tempered, But Cautious, Optimism</u></a>
5-Sep-21	<a href="#"><u>Misr Chemical Industries [MICH] – Nice While It Lasted</u></a>
29-Aug-21	<a href="#"><u>Orascom Construction [ORAS] – Recovery on Track Although Below Estimates</u></a>
24-Aug-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – When the Stars Align</u></a>
18-Aug-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u></a>
17-Aug-21	<a href="#"><u>Elsowedy Electric [SWDY] – Impressive Set of Results</u></a>
17-Aug-21	<a href="#"><u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u></a>
16-Aug-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board</u></a>
11-Aug-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u></a>
10-Aug-21	<a href="#"><u>MACROView – July's Feverous Inflation</u></a>
9-Aug-21	<a href="#"><u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u></a>
5-Aug-21	<a href="#"><u>MACROView – The Sky Is No Blue</u></a>
4-Aug-21	<a href="#"><u>MACROView – Constrained Recovery</u></a>
26-Jul-21	<a href="#"><u>EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action</u></a>
13-Jul-21	<a href="#"><u>Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth</u></a>
8-Jul-21	<a href="#"><u>MACROView – Inflation Edged Up, As Expected</u></a>
8-Jul-21	<a href="#"><u>MACROView – External Buffers Still Powering Ahead</u></a>
6-Jul-21	<a href="#"><u>MACROView – A Steady and Slow Recovery in the Making</u></a>
<b>5-July-21</b>	<b><a href="#"><u>Abu Qir Fertilizers [ABUK] – Talking U</u></a></b>
16-June-21	<a href="#"><u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u></a>
14-June-21	<a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Earnings Flattened by Factoring Cost</u></a>
10-June-21	<a href="#"><u>MACROView – Inflation Risk Rising, but Still Within Target</u></a>
8-June-21	<a href="#"><u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u></a>
6-June-21	<a href="#"><u>MACROView – Further Enhancement</u></a>
3-June-21	<a href="#"><u>MACROView – Contraction Eased</u></a>



23-May-21	<a href="#"><u>Orascom Construction [ORAS] – Earnings Short of Our Estimates</u></a>
23-May-21	<a href="#"><u>CI Capital Holding [CICH] – Earnings Dented by One-off ESOP Expense</u></a>
22-May-21	<a href="#"><u>Commercial International Bank [COMI] – Earnings Growth Driven by Lower Provisions</u></a>
20-May-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Slowing Lending Inhibits Earnings Growth</u></a>
20-May-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Recovery Signs; Back on Track</u></a>
<b>18-May-21</b>	<b><a href="#"><u>B Investments Holding [BINV] – Exits Kick Off, Unlocking Value</u></a></b>
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11-May-21	<a href="#"><u>MACROView – Inflation Eased but Stage Still Set for a Pick-Up</u></a>
9-May-21	<a href="#"><u>MACROView – Stability Prevailed</u></a>
6-May-21	<a href="#"><u>MACROView – The Road to Recovery Gets Longer</u></a>
18-Apr-21	<a href="#"><u>MACROView – Challenges Remain Daunting</u></a>
<b>13-Apr-21</b>	<b><a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</u></a></b>
<b>12-Apr-21</b>	<b><a href="#"><u>Orascom Construction [ORAS] – Rich in Value</u></a></b>
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6-Apr-21	<a href="#"><u>MACROView – FX Assets Well Placed to Mitigate Potential Risks</u></a>
6-Apr-21	<a href="#"><u>MACROView – Still Downbeat</u></a>
28-Mar-21	<a href="#"><u>Taaleem Management Services [TALM] – Enriching the Education Sector</u></a>
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22-Feb-21	<a href="#"><u>CI Capital Holding [CICH] – Got the Hit, Yet Better Than Expected</u></a>
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8-Feb-21	<a href="#"><u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u></a>
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3-Feb-21	<a href="#"><u>MACROView – External Woes vs. Cautious Optimism</u></a>



1-Feb-21	<b><u>STANDPoint – Egypt 2021 Investing Playbook</u></b>
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16-Dec-20	<u>CIB [COMI] – Earnings beat despite higher provisions</u>
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3-Dec-20	<u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u>
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